

Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of)	
)	
Applications of AT&T Inc. and DIRECTV)	MB Docket No. 14-90
for Consent To Assign or Transfer Control of)	
Licenses and Authorizations)	

AT&T INC. SEMI-ANNUAL COMPLIANCE REPORT ON
AT&T/DIRECTV MERGER CONDITIONS

AUGUST 24, 2018

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I. INTRODUCTION & COMPLIANCE OVERVIEW

On July 24, 2015, the Federal Communications Commission (“Commission”) approved, subject to conditions, the applications of AT&T Inc. and DIRECTV (collectively “AT&T” or the “Company”) to transfer control of various Commission licenses and other authorizations from DIRECTV to AT&T pursuant to Section 310(d) of the Communications Act of 1934, as amended (the “Act”).¹ The transaction closed the same day.

AT&T submits this sixth semi-annual report demonstrating compliance with the conditions set forth in Appendix B (the “Conditions”) of the *Merger Order*.² This report describes AT&T’s compliance with the following Conditions: (1) Fiber to the Premises

¹ *Applications of AT&T Inc. and DIRECTV for Consent to Assign or Transfer Control of Licenses and Authorizations*, Memorandum Opinion and Order, 30 FCC Rcd 9131 (2015) (“*Merger Order*”).

² AT&T submitted its first semi-annual report on January 27, 2016, covering the time period July 24, 2015 to December 31, 2015. *AT&T Inc. Semi-Annual Compliance Report on AT&T/DIRECTV Merger Conditions*, MB Dkt No. 14-90 (filed Jan. 25, 2016) (“First Semi-Annual Compliance Report”). AT&T’s second semi-annual compliance report covered the time period of January 1, 2016 to June 30, 2016. *AT&T Inc. Semi-Annual Compliance Report on AT&T/DIRECTV Merger Conditions*, MB Dkt No. 14-90 (filed July 25, 2016) (“Second Semi-Annual Compliance Report”). On December 9, 2016, the Wireline Competition Bureau approved AT&T’s request for a 30-day extension of the date for filing the remaining semi-annual compliance reports. *Letter from Matthew DelNero, Chief, Wireline Competition Bureau, FCC, to Maureen R. Jeffreys, Arnold & Porter LLP, Counsel for AT&T*, 31 FCC Rcd 12,926 (Dec. 9, 2016). AT&T’s semi-annual reports are now due on February 24 and August 24 for each year of the reporting condition (for reporting periods that end December 31 and June 30, respectively). *Id.* Accordingly, AT&T submitted its third semi-annual report on February 24, 2017, covering the time period of July 1, 2016 to December 31, 2017. *AT&T Inc. Semi-Annual Compliance Report on AT&T/DIRECTV Merger Conditions*, MB Dkt No. 14-90 (filed Feb. 24, 2017) (“Third Semi-Annual Compliance Report”). AT&T submitted its fourth semi-annual compliance report on August 24, 2017, covering the time period of January 1, 2017 to June 30, 2017. *AT&T Inc. Semi-Annual Compliance Report on AT&T/DIRECTV Merger Conditions*, MB Dkt No. 14-90 (filed Aug. 24, 2017) (“Fourth Semi-Annual Compliance Report”). AT&T submitted its fifth semi-annual compliance report on February 26, 2018, covering the time period of July 1, 2017 to December 31, 2017. *AT&T Inc. Semi-Annual Compliance Report on AT&T/DIRECTV Merger Conditions*, MB Dkt No. 14-90 (filed Feb. 26, 2018) (“Fifth Semi-Annual Compliance Report”).

(“FTTP”) deployment;³ (2) the provision of 1 Gigabit FTTP Service to covered E-rate eligible schools and libraries;⁴ (3) non-discriminatory usage-based practices;⁵ and (4) the Discounted Broadband Services Program.⁶

As this report demonstrates, AT&T is in full compliance with the Conditions. Indeed, AT&T is performing above and beyond the Conditions’ requirements. For example, as of June 30, 2018, AT&T has already exceeded the end of year 2018 milestone for FTTP deployment. And, AT&T has over 40 percent more subscribers to its Discounted Broadband Services Program (the “Program”) than the prior reporting period, and over 900 organizations have agreed to help promote the Program.

In addition to the Conditions on which AT&T is required to report semi-annually, the *Merger Order* imposed certain compliance program Conditions.⁷ As AT&T explained in its First Semi-Annual Compliance Report, AT&T has satisfied the Conditions to appoint a Company Compliance Officer,⁸ develop and implement an Implementation and Compliance Plan,⁹ and engage an Independent Compliance Officer (“ICO”)¹⁰ within the time frames required

³ *Merger Order*, Appendix B, § III.

⁴ *Id.*

⁵ *Id.*, Appendix B, § IV.

⁶ *Id.*, Appendix B, § VI. The *Merger Order* also imposed specific internet interconnection disclosure and reporting requirements, but did not require AT&T to include in its semi-annual report a description of its compliance with that Condition. *Id.*, Appendix B, § V.

⁷ *Id.*, Appendix B, § VII.

⁸ *Id.*, Appendix B, § VII(1) (“Within thirty (30) calendar days after the Closing Date, the Company shall designate a senior corporate manager with the requisite corporate and organizational authority to serve as a Company Compliance Officer and to discharge the Company’s duties with respect to the conditions specified in this Appendix B.”).

⁹ *Id.*, Appendix B, § VII(2) (“The Company agrees that it shall, within sixty (60) calendar days after the Closing Date, develop and implement an Implementation and Compliance Plan

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by the Conditions, and continues to comply with any associated Program and Reporting Conditions on an ongoing basis. AT&T has designated Jerrie Kertz, Senior Vice President - Compliance, as the Company Compliance Officer.¹¹ AT&T has engaged Donald K. Stern as the ICO, who has been approved by the Commission's Office of General Counsel.¹² AT&T has had many meetings with Mr. Stern and his team to educate them about the Conditions, AT&T's compliance activities, and the semi-annual compliance reports, and to prepare for and assist the ICO's evaluation activities. Mr. Stern filed his fifth compliance report on April 27, 2018.¹³ As

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designed to ensure its implementation of and compliance with the conditions specified in this Appendix B, establishing, *inter alia*, mechanisms to provide, on an ongoing basis, adequate notice and training to all Company personnel involved with the activities covered by the conditions in this Appendix B.”).

¹⁰ *Id.*, Appendix B, § VII(3)(a) (“Within ninety (90) days of the Closing Date, an Independent Compliance Officer shall be identified, whose selection is acceptable to the Company and approved by the Commission's Office of General Counsel, in consultation with the Wireline Competition Bureau.”).

¹¹ Ms. Kertz has replaced Suzanne Montgomery, who served as the Company Compliance Officer during this reporting period.

¹² *Independent Compliance Officer Identified in Accordance with AT&T-DIRECTV Merger Condition*, Public Notice, 30 FCC Rcd 11,556 (Oct. 23, 2015).

¹³ *Independent Compliance Officer's Compliance Report on AT&T/DIRECTV Merger Conditions*, MB Dkt No. 14-90 (filed Apr. 27, 2018) (“ICO Fifth Report”). Mr. Stern filed his first compliance report on March 28, 2016. *Independent Compliance Officer's Compliance Report on AT&T/DIRECTV Merger Conditions*, MB Dkt No. 14-90 (filed Mar. 28, 2016) (“ICO First Report”). Mr. Stern filed his second compliance report on September 23, 2016. *Independent Compliance Officer's Compliance Report on AT&T/DIRECTV Merger Conditions*, MB Dkt No. 14-90 (filed Sept. 23, 2016) (“ICO Second Report”). Mr. Stern filed his third compliance report on April 25, 2017. *Independent Compliance Officer's Compliance Report on AT&T/DIRECTV Merger Conditions*, MB Dkt No. 14-90 (filed Apr. 25, 2017) (“ICO Third Report”). Mr. Stern Filed his fourth compliance report on October 23, 2017. *Independent Compliance Officer's Compliance Report on AT&T/DIRECTV Merger Conditions*, MB Dkt No. 14-90 (filed Oct. 23, 2017) (“ICO Fourth Report”). *See also Merger Order*, Appendix B, § VII(3)(e) (“The Independent Compliance Officer shall prepare and submit, in accordance with the filing and service requirements set forth in Section VII.5. herein, a Compliance Report within sixty (60) days of receiving the Company's reports required under the conditions specified in this Appendix B.”).

described below, AT&T is addressing the recommendations and suggestions made in the ICO Fifth Report.

As described in AT&T's Implementation and Compliance Plan, AT&T has assembled a team of employees, including company officers, senior-level managers and attorneys, to develop, coordinate, and oversee implementation of the Conditions. A Program Management Team, led by AT&T officers, has overall responsibility for overseeing compliance for all Conditions. In addition, AT&T has established six "Working Teams" to oversee and ensure compliance with each specific Condition (or portion of a Condition). These Working Teams include AT&T officers and senior-level employees whose ordinary course responsibilities within AT&T encompass the activities covered by the Condition to which they have been assigned.¹⁴

This report is divided into separate sections for each specific Condition. The first part of each section provides the text of the Condition as set forth in Appendix B of the *Merger Order*. The second part of each section provides an overview of the processes and specific steps that AT&T has implemented to comply with the Condition, and the specific reporting requirements and associated exhibits required for each Condition.

¹⁴ In addition, AT&T has provided training to the Working Teams responsible for implementing and tracking compliance with the Conditions to ensure that they understand their obligation to promptly report any potential material noncompliance with any Condition. AT&T also has established an internal mechanism for reporting potential violations, and all such reports will be promptly reviewed and investigated by members of AT&T's Program Management Team.

II. FTTP DEPLOYMENT AND PROVISION OF GIGABIT FTTP SERVICE TO COVERED E-RATE ELIGIBLE SCHOOLS AND LIBRARIES

A. STATEMENT OF THE CONDITION

1. Condition

- a. Within four (4) years, in accordance with the timing requirements set forth in subparts 2.a.(i) through 2.a.(v), the Company shall deploy FTTP-based Broadband Internet Access Service to at least 12.5 million mass-market customer locations,¹⁵ such as those occupied by residences, home offices, and very small businesses (and excluding locations solely occupied by large enterprises and institutions), of which no more than 2.9 million may be upgrades to customer locations that receive speeds of 45 Mbps or more using fiber to the node (“FTTN”) technology:
 - (i) By December 31, 2015, the Company shall expand its FTTP coverage to at least 1.6 million of the aforementioned customer locations, including locations built as of April 15, 2015;
 - (ii) By December 31, 2016, the Company shall expand its FTTP coverage to at least 2.6 million of the aforementioned customer locations;
 - (iii) By December 31, 2017, the Company shall expand its FTTP coverage to at least 5.0 million of the aforementioned customer locations;
 - (iv) By December 31, 2018, the Company shall expand its FTTP coverage to at least 8.3 million of the aforementioned customer locations; and
 - (v) Within four (4) years of the Closing Date the Company will complete the aforementioned FTTP deployment to all 12.5

¹⁵ Customer locations are defined as addresses to which the Company has the technical ability to provide Broadband Internet Access Service and excluding broadband-connected locations such as gates, ATMs, and elevators (“Customer Locations”).

million customer locations and the Company will offer speeds of 45 Mbps or more to at least 25.7 million customer locations.

- b. No more than 1.5 million greenfield locations (*i.e.*, locations at which wire or fiber lines have not been deployed previously) may be counted towards the 12.5 million customer locations required in subsection 2.a.
- c. The Company may not use, receive, or request any Connect America Funds (“CAF”) for the investments required to satisfy the 12.5 million FTTP deployment transaction commitment or for operating expenses for such locations after such are deployed. Specifically, 12.5 million geocoded locations reported for purposes of this condition cannot be counted towards satisfying any CAF requirements.¹⁶
- d. In addition to the 12.5 million FTTP locations required by this condition, the Company is obliged to offer 1 Gbps FTTP Service (“Gigabit FTTP Service”) to any E-rate eligible school or library located within or contiguous to a distribution area in which the Company deploys FTTP-based service, including all of the distribution areas included with the 12.5 million FTTP buildout, which includes approximately 6,000 E-rate eligible schools and libraries (“covered schools and libraries”). Provided however, the Company is not obliged to deploy Gigabit FTTP Service to schools and libraries outside of its wireline footprint. In order to satisfy this condition, the Company must offer Gigabit FTTP Service in response to a Form 470 seeking bids for Gigabit FTTP Service to any covered school or library, pursuant to the E-rate rules, and it must engage in affirmative and adequate outreach to make all covered schools and libraries aware of the opportunity to purchase its Gigabit FTTP Services. The Company shall make adjustments to its outreach efforts in response to reasonable requests from the Commission’s Office of General Counsel.

¹⁶ This would include but is not limited to any of the CAF programs, as well as any other Universal Service Fund (“USF”) programs that the Commission may implement at a future date.

2. Reporting

- a. The Company shall submit a report in accordance with the filing and service requirements set forth in Section VII.5. herein on a semi-annual basis that describes its compliance with subsections 2.a.-c. of this condition, with the first such report to be submitted six (6) months after the Closing Date, in a format similar to the report that the Company submits in connection with receiving CAF Phase I support, and is expected to submit in Phase II, which must include at least the following, in electronic format:
 - (i) The number of new customer locations to which FTTP service has been deployed during the reporting period;
 - (ii) A CSV file (comma separated values file) or other form approved by the Commission staff for each location to which FTTP service has been deployed in satisfaction of this deployment condition, information presented in substantially the format shown in the chart below (the same location information collected from CAF Phase I recipients);¹⁷
 - (iii) Any explanatory notes as required; and
 - (iv) Any other information the Independent Compliance Officer determines is reasonably necessary to report on compliance with this condition.
- b. The Company shall submit a report in accordance with the filing and service requirements set forth in Section VII.5. herein on a semi-annual basis that describes its compliance with subsection 2.d. of this condition, with the first such report to be submitted six (6) months after the Closing Date, which must include at least the following, in electronic format:
 - (i) A list of the covered schools and libraries to which the Company has provided a bid for FTTP services pursuant to

¹⁷ The Company must provide LAT and LONG; however, if information for a column other than LAT/LONG is unavailable for a given location, that column may be left blank.

this condition, the FCC Form 470 associated with each such bid, and information about the monthly recurring charges and any special construction charges associated with each such bid;

- (ii) The number of covered schools and libraries to which Gigabit FTTP Service has been deployed during the reporting period;
- (iii) A CSV file (comma separated values file) or other form approved by the Commission staff for each school or library location to which Gigabit FTTP Service has been deployed in satisfaction of this deployment condition, information presented in substantially the format shown in the chart below;¹⁸
- (iv) Any explanatory notes as required;
- (v) A description of the Company's outreach to covered schools and libraries to notify them of the availability of Gigabit FTTP Service; and
- (vi) Any other information the Independent Compliance Officer determines is reasonably necessary to report on compliance with this condition.¹⁹

¹⁸ The Company must provide LAT and LONG; however, if information for a column other than LAT/LONG is unavailable for a given location, that column may be left blank.

¹⁹ Although this Condition refers to fiber deployment within or contiguous to "distribution areas" ("DAs"), that term relates to boundaries associated with copper technology. For fiber, the term equivalent to distribution area is a passive optical network ("PON") Serving Area ("PSA"). (A PON "is a cabling system that uses optical fibers and optical splitters to deliver services to multiple access points." Techopedia, Dictionary, <https://www.techopedia.com/definition/16009/passive-optical-network-pon> (last visited Aug. 21, 2018).) The PSA boundaries are often similar, but not identical to copper DA boundaries.

B. COMPLIANCE REPORT – FTTP DEPLOYMENT

1. Introduction and Working Team

AT&T has a Working Team that oversees and coordinates implementation of this Condition. This Working Team includes AT&T management personnel who, in the ordinary course of business, lead AT&T's FTTP expansion projects and have a proven track record of developing and executing broadband expansion plans within specified time frames. All members of this Working Team have been trained to understand what is required by this Condition, including the buildout milestones and the limitations on counting certain types of Customer Locations towards satisfying this Condition.

The Condition requires AT&T to expand its FTTP coverage to reach a total of 8.3 million Customer Locations by the end of 2018, *i.e.*, 3.3 million more locations beyond the 2017 deployment milestone.²⁰ The condition also requires AT&T to offer speeds of 45 Mbps or more to at least 25.7 million locations by July 24, 2019, *i.e.*, within four years of closing. As discussed below, AT&T has already exceeded the end of year 2018 milestone for FTTP deployment in a manner fully consistent with the Condition's limitations on counting certain types of Customer Locations. In addition, as AT&T reported in its Fifth Semi-Annual Compliance Report, AT&T

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²⁰ *Merger Order*, Appendix B, § III(2)(a)(ii).

2. Total Deployment

AT&T is reporting a total deployment of FTTP service to [BEGIN HIGHLY CONFIDENTIAL INFORMATION] [END HIGHLY CONFIDENTIAL INFORMATION] mass-market Customer Locations during the reporting period, reaching a total of [BEGIN HIGHLY CONFIDENTIAL INFORMATION] [END HIGHLY CONFIDENTIAL INFORMATION] mass-market Customer Locations as of June 30, 2018.²¹

A total of [BEGIN HIGHLY CONFIDENTIAL INFORMATION] [END HIGHLY CONFIDENTIAL INFORMATION] greenfield Customer Locations are included in this report. As explained in AT&T's Fifth Semi-Annual Compliance Report, [BEGIN HIGHLY CONFIDENTIAL INFORMATION]

²¹ As explained in AT&T's prior compliance reports, AT&T, Commission staff and the ICO have agreed upon a process that AT&T will use to count towards the Condition those Customer Locations to which FTTP has been deployed within certain multiple dwelling units ("MDUs"). See Fifth Semi-Annual Compliance Report at 10 n.21; Fourth Semi-Annual Compliance Report at 9 n.20; Third Semi-Annual Compliance Report at 11-12; Letter from Maureen R. Jeffreys, Counsel for AT&T Inc. to Marlene H. Dortch, Esq., Secretary, FCC, MB Dkt No. 14-90 (Oct. 6, 2016) ("October 6, 2016 Letter") (describing the parameters under which AT&T may count towards the FTTP buildout requirements the individual Customer Locations within MDUs regardless of whether AT&T has deployed FTTP service to a particular MDU). However, AT&T's sales databases are designed to track locations where AT&T currently can sell service, and AT&T does not in the ordinary course of business track and report the granular information required to be reported in the *Merger Order*, Appendix B, § III(3)(ii), for MDU Customer Locations where it has allocated fiber to an MDU building but the MDU owner has not provided consent for AT&T to deploy fiber to each Customer Location within the MDU. *Id.* Accordingly, in its prior compliance reports, AT&T has not counted such Customer Locations in the report or included such Customer Locations in Exhibit 1. AT&T is still working on implementing the process to report such Customer Locations pursuant to this Condition and plans to include any such MDU Customer Locations in future semi-annual reports.

²² [END HIGHLY CONFIDENTIAL INFORMATION]

Approximately [BEGIN HIGHLY CONFIDENTIAL INFORMATION]
[END HIGHLY CONFIDENTIAL INFORMATION] of the total Customer Locations
reported are upgrades to FTTN technology that received speeds of 45 Mbps or higher as of the
Closing Date. [BEGIN CONFIDENTIAL INFORMATION]

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[END

CONFIDENTIAL INFORMATION]

No CAF funds were used, received, or requested by AT&T in order to deploy FTTP to
these Customer Locations.²⁴

²² [BEGIN HIGHLY CONFIDENTIAL INFORMATION]

[END HIGHLY CONFIDENTIAL INFORMATION]

²³ See ICO Fifth Report at 17-18.

²⁴ AT&T has excluded from the CSV file any constructed FTTP customer location that is
located in a PSA that AT&T reported as eligible for CAF I or CAF II funding, whether or not
these CAF funds were used in whole or in part to construct that FTTP customer location.

In addition, as AT&T reported in its Fifth Semi-Annual Compliance Report, AT&T

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3. CSV File Reporting on Each Customer Location²⁵

Exhibit 1 contains information for each of the total Customer Locations to which FFTP service has been deployed in satisfaction of this Condition as of June 30, 2018.²⁶

²⁵ AT&T has included the following information in the CSV file: Census Block Information; Operating Company Number; Study Area Code; Common Language Location Identifier; Latitude and Longitude of the Customer Location (if available as of the end of the reporting period); DA/PSA; the Service Address; City; State; Zip Code; and the Service Address Identification Number (a unique identification number assigned to each Customer Location in AT&T's databases and systems in the ordinary course of business).

Exhibit 1 includes Customer Locations for which AT&T has deployed FFTP service as of June 30, 2018, even if AT&T does not have latitude and longitude coordinates at this time. For those Customer Locations where latitude and longitude coordinates are not available for inclusion in a compliance report, AT&T will provide those coordinates in a subsequent compliance report when those coordinates become available in AT&T's ordinary course databases. *See* Fifth Semi-Annual Compliance Report at 11 n.24; Fourth Semi-Annual Compliance Report at 11 n.23; Third Semi-Annual Compliance Report at 13-14; October 6, 2016 Letter at 3-4.

As explained in AT&T's Fifth Semi-Annual Compliance Report, AT&T has formally documented and updated its FTTP reporting process that it uses to prepare the CSV file and compliance reports for the FTTP Condition. This documentation describes AT&T's data-merging and quality control process, including the specific data-field interrelationships and queries used to track and report FTTP deployment.²⁷ As in the prior reporting period, AT&T will provide to the ICO, as a supplement to Exhibit 1, additional data about each Customer Location to enable the ICO to verify that the reported Customer Locations are in compliance with the Condition.²⁸ In addition, as in the prior reporting period, AT&T provided to the ICO a summary of the data verification procedures **[BEGIN CONFIDENTIAL INFORMATION]**

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completing the FTTP deployment data submission for AT&T's Fifth Semi-Annual Compliance Report.

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²⁶ The data provided in Exhibit 1 is obtained from AT&T's ordinary course databases, which may be modified or corrected from time to time. For example, these databases are routinely updated with changes, corrections, and improved data that may be obtained from the field as part of the ongoing FTTP deployment process. Such updates are common in greenfield locations where changes routinely occur as part of the development process, but database updates also occur in locations where AT&T overbuilds fiber. Accordingly, the information provided in Exhibit 1 for a particular Customer Location in one reporting period may be updated in a subsequent reporting period. As explained in the Fifth Semi-Annual Compliance Report, for each compliance report, AT&T plans to provide information for each of the total Customer Locations to which AT&T has deployed FTTP service in satisfaction of this Condition as of the end of that reporting period based on the data available in the ordinary course databases at that time. *See* Fifth Semi-Annual Compliance Report at 12 n.25.

²⁷ *Id.* at 12.

²⁸ AT&T will provide the ICO with **[BEGIN CONFIDENTIAL INFORMATION]**

[END CONFIDENTIAL INFORMATION] for each Customer Location.

C. COMPLIANCE REPORT – GIGABIT OFFERS TO COVERED E-RATE ELIGIBLE SCHOOLS AND LIBRARIES

1. Introduction and Working Team

AT&T has a Working Team to oversee and coordinate compliance with the Condition requiring AT&T to offer 1 Gbps FTTP Service to covered E-rate eligible schools and libraries (“E-rate Condition”). This Working Team includes AT&T senior managers who, in the ordinary course of business, oversee AT&T’s business-level broadband internet access services and its participation in the E-rate program.

The E-rate Condition, like the E-rate program itself, is centered on the Commission’s Form 470 process. The E-rate fiscal year (referred to as a “Funding Year”) runs from July 1st to June 30th. Under the Commission’s procedures, individual schools and libraries, school districts, library systems, buying consortia and states may post a Form 470 for an upcoming Funding Year until approximately February/April (“E-rate Bidding Season”), seeking bids for a contract that typically would begin the following July 1st. For example, these entities post Form 470s from about October 2017 to February 22, 2018 for contracts for which E-rate funding will not begin until July 1, 2018. Thus, if awarded, AT&T will begin providing E-rate eligible service under the E-rate Condition pursuant to Commission rules²⁹ for any Form 470s to which AT&T responded during this reporting period on or after July 1, 2018, depending on the customer’s desired due date.

As discussed in the sections that follow, AT&T is complying with this Condition by (1) identifying covered schools and libraries located where AT&T plans to have deployed FTTP

²⁹ 47 C.F.R. § 54.507(d)(2).

services by the end of the first half of 2018 (*i.e.*, the beginning of the new E-rate funding year); (2) responding to all Form 470s seeking bids for 1 Gigabit FTTP Service to any such covered school or library;³⁰ (3) deploying as requested 1 Gigabit FTTP Service to any bid awarded for that service by a covered school or library; and (4) conducting affirmative and adequate outreach to make covered schools and libraries aware of the opportunity to purchase 1 Gigabit FTTP Services.

2. Methodology for Identifying “Covered Schools and Libraries”³¹

The E-rate Condition requires AT&T “to offer 1 Gbps FTTP Service . . . to any E-rate eligible school or library located within or contiguous to a DA in which the Company deploys FTTP-based service.”³² For purposes of compliance with this Condition during the 2017-2018 E-rate Bidding Season for Funding Year 2018, AT&T applied the same methodology for identifying covered schools and libraries described in the Fifth Semi-Annual Compliance Report.³³ Specifically, AT&T compiled a list of fiber routes³⁴ that include PSAs where AT&T

³⁰ Schools and libraries typically purchase commercial broadband services with a guaranteed quality of service. **[BEGIN HIGHLY CONFIDENTIAL INFORMATION]**

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³¹ As explained in AT&T’s prior compliance reports, AT&T has formally documented and updated its mapping methodology for identifying covered schools and libraries within and contiguous to AT&T’s FTTP deployment. *See, e.g.*, Fifth Semi-Annual Compliance Report at 15 n.33.

³² *Merger Order*, Appendix B, § III(2)(d).

³³ Fifth Semi-Annual Compliance Report at 14-15.

³⁴ AT&T’s wire centers are divided into multiple fiber routes. Multiple PSAs make up a fiber route.

had deployed FTTP-based service or planned to deploy FTTP by June 30, 2018. Using the most recently available Universal Service Administrative Company (“USAC”) data, AT&T identified all of the E-rate eligible individual schools and libraries located within those fiber routes, which is approximately **[BEGIN HIGHLY CONFIDENTIAL INFORMATION]** **[END HIGHLY CONFIDENTIAL INFORMATION]** schools and libraries. Because multiple PSAs make up a fiber route, this methodology sweeps well beyond what the Condition requires.

As discussed in the sections that follow, AT&T has used this list of “covered schools and libraries” for purposes of responding to Form 470s seeking bids for 1 Gigabit FTTP Service.

3. Process for Responding to Form 470s³⁵

The existing E-rate sales team is responsible for responding to the Form 470s received from covered schools and libraries. AT&T has integrated the requirements of this Condition into the processes it uses in the ordinary course of business to respond to Form 470s, and has overlaid additional processes to ensure compliance with the Condition.

During the reporting period, the Working Team used the most recent list of covered schools and libraries identified using the methodology described above and compared these covered school and library addresses to the addresses listed for the E-rate school and library locations that have registered as participants in the E-rate program. AT&T searched the USAC

³⁵ As explained in AT&T’s prior compliance reports, AT&T has formally documented and updated its procedures for responding to bids from covered schools and libraries. *See, e.g.*, Fifth Semi-Annual Compliance Report at 16 n.35.

database for the Billed Entity Numbers (“BENs”) for individual schools and libraries.³⁶ For each matching address, the BEN of the individual covered school and library was identified and captured. AT&T further researched the database to determine whether any such individual covered school or library location was part of a school district or library system (“Parent Entity”) that might itself file a Form 470 under which the individual covered school or library might purchase E-rate services and, if found, captured the Parent Entity BEN. AT&T then flagged all of the identified BENs, approximately **[BEGIN HIGHLY CONFIDENTIAL INFORMATION]** **[END HIGHLY CONFIDENTIAL INFORMATION]** BENs, and loaded them into the system used in AT&T’s ordinary course of business to respond to Form 470s. This system flags any of these BENs that post a Form 470 with a positive indicator, which is then reviewed to determine if the specifics of the request meet the Condition requirements.

For consortia, after a consortium posts a Form 470 it is necessary for AT&T to review the consortium’s Form 470 to determine the school districts or library systems that are members of that consortium, and then manually identify whether any individual covered school or library is a member of those school districts or library systems.

For the 2017-2018 E-rate Bidding Season, AT&T used the list of BENs corresponding to individual covered schools and libraries, school districts, and library systems, supplemented by the review of consortia Form 470s, to search for any Form 470 posted by these entities. Then, AT&T offered 1 Gigabit FTTP Service in response to any Form 470 seeking bids for 1 Gigabit FTTP Service filed by one of the BENs identified for the covered schools and libraries, school

³⁶ Universal Service Administrative Co., Schools and Libraries, Tools, Entity Download Tool, <https://data.usac.org/publicreports/EntityDownload/Entity/Download> (last visited Aug. 21, 2018).

districts, library systems, or consortia. In particular, AT&T responded to requests from covered schools and libraries that included a speed of 1 Gbps where the “Service Type” designated on the Form 470 equals “Internet Access and/or Telecommunications” and “Function” equals “Internet Access and Transport Bundled.”³⁷

USAC recently issued updated guidance, which now directs Applicants to select “Leased Lit Fiber (with or without internet access)” from the Form 470 drop-down and to indicate “Internet Access” in the narrative and/or RFP (if used) when seeking a bundle.³⁸ Going forward, the Internet Access and Transport Bundle category is to be used for non-fiber based requests only and therefore is no longer a service covered by the Condition.

Based on this recent USAC guidance, for the 2018-2019 E-rate Bidding Season AT&T will review Form 470s, including the narrative and/or RFP (if there is one), only in the “Leased Lit Fiber (with or without internet access)” category to determine if an Internet Access bundle seeking 1 Gbps service is requested. As recommended by the ICO,³⁹ AT&T has updated its process document to conform to the guidance issued by USAC.

³⁷ In August 2017, USAC released guidance to address the requirement that Applicants who seek Dark Fiber solutions must also seek a Leased Lit Fiber solution. USAC, News Brief, Simplified Drop-Down Options for Eligible Services on FY2018 FCC Form 470, <https://www.usac.org/sl/tools/news-briefs/preview.aspx?id=786> (Aug. 22, 2017); USAC, News Brief, New Drop-Down Options in EPC for Completing the FCC Form 470, <https://www.usac.org/sl/tools/news-briefs/preview.aspx?id=788> (Aug. 25, 2017). However, throughout the 2017-2018 season, AT&T continued to respond to requests from covered schools or libraries for Internet Access and Transport Bundled that included a 1 Gbps speed, whether or not there was a Leased Lit Fiber request.

³⁸ USAC, News Brief, FY2019 FCC Form 47- Available on July 1, <https://www.usac.org/sl/tools/news-briefs/preview.aspx?id=839> (June 29, 2018).

³⁹ See ICO Fifth Report at 35.

4. List of Schools and Libraries to which AT&T Has Provided Bids

Exhibit 2.a contains a list of [BEGIN HIGHLY CONFIDENTIAL INFORMATION] [END HIGHLY CONFIDENTIAL INFORMATION] Form 470s to which AT&T has, during the period from January 1, 2018 to June 30, 2018, provided a bid to serve a covered school or library with 1 Gigabit FTTP Services during the 2018 E-rate Funding Year. Exhibit 2.a also contains links to the FCC Form 470 associated with each such bid, and information about the monthly recurring charges and any special construction charges associated with each such bid. Exhibit 3 contains copies of the FCC Form 470s listed in Exhibit 2.a.

Above and beyond this Condition, AT&T has responded to E-rate Form 470s from covered schools and libraries that sought bids for fiber-based services that are not expressly covered by this Condition. Detailed information about such bids and services is not included in this report.

5. Total Deployment and CSV File

The Condition requires AT&T to provide information about “each school or library location to which Gigabit FTTP Service has been deployed in satisfaction of this deployment condition.” As explained above and in AT&T’s Fifth Semi-Annual Compliance Report, the E-rate Funding Year and contracts for 1 Gbps FTTP service awarded under the E-rate program run from July 1st to June 30th, and service providers thus generally do not begin to provide E-rate supported service until July 1st.⁴⁰ Thus, this reporting period, January 1 to June 30, 2018, covers

⁴⁰ See Fifth Semi-Annual Compliance Report at 17-18.

any deployment pursuant to this Condition during the second half of the 2017 E-rate Funding Year.

Exhibit 2.b is a CSV file that contains information⁴¹ for each covered school or library location to which 1 Gigabit FTTP Service has been deployed in satisfaction of the Condition between January 1, 2018 to June 30, 2018.⁴²

As explained in AT&T's Fifth Semi-Annual Compliance Report, while AT&T is the largest provider in the E-rate program of all network and voice services, AT&T often serves high speed internet needs for covered schools and libraries through solutions that are not funded through E-rate and/or not covered by the Condition. Accordingly, there are multiple reasons why AT&T may have few reportable deployments of 1 Gigabit FTTP Service during a reporting period.⁴³ For example, in several states within AT&T's 21-state wireline service area, there are state institutions that procure an internet backbone designed to deliver broadband service to anchor institutions, including schools and libraries, which reduces the number of schools and libraries seeking to purchase commercial ISP services. In addition, schools and libraries often seek bids for a range of speeds. Thus, AT&T may be chosen as the internet access provider for a Form 470 which it reported as being covered by the Condition, but the institution may choose to

⁴¹ The Condition requires AT&T to include the following information in the CSV file: Census Block Information; Operating Company Number; Study Area Code; Common Language Location Identifier; Latitude; Longitude; Name; District Name; Monthly Charge; and Special Construction Charge. *Merger Order*, Appendix B, § III(3)(b)(ii)-(iii).

⁴² AT&T has included covered schools and libraries for which AT&T installed 1 Gigabit FTTP Service during the reporting period, even if a bill has not yet been rendered. In these instances, Exhibit 2.b does not reflect any "charges," and AT&T has provided an explanatory note to reflect that charges will be provided once billing commences.

⁴³ See Fifth Semi-Annual Compliance Report at 18-20.

utilize service at a speed either above or below 1 Gigabit, which service deployment would not be reportable under the Condition. And even if the covered school or library purchases internet access service from AT&T and elects to install 1 Gigabit FTTP Service, the customer may require that service to be delivered at a location or locations that are not within or contiguous to AT&T's FTTP deployment, which again would not be reportable under the Condition. Finally, AT&T faces competition from other private internet access service providers and may not have been chosen as the internet access provider.

6. Outreach

AT&T has an existing sales channel responsible for larger state and local government and education customers, including schools and libraries. AT&T also has a separate sales channel responsible for smaller local government and education customers, again including schools and libraries. AT&T's sales channels provide information about available E-rate products and services to potential customers in the ordinary course of business.

Building on AT&T's established efforts to make prospective school and library customers aware of the opportunity to purchase E-rate services, AT&T has implemented additional outreach to inform covered schools and libraries about AT&T's 1 Gigabit FTTP Service offer pursuant to this Condition. As described below, AT&T is reaching out to schools and libraries within AT&T's wireline footprint via a direct mail and email campaign, and by providing information about its 1 Gigabit FTTP Services to all schools and libraries to which AT&T has won a bid to provide service through the E-rate program.

Direct Mail and Email Outreach: AT&T commenced outreach for the E-rate Funding Year beginning July 1, 2018 during the prior reporting period. As described in AT&T's Fifth

Semi-Annual Compliance Report, as part of this outreach, AT&T sent direct mail communications intended to reach all schools and libraries in AT&T's wireline footprint.⁴⁴ During this reporting period, AT&T implemented an additional email campaign, whereby AT&T will send email notices in April, July, and November with the goal to effectively communicate AT&T's 1 Gigabit FTTP service expansion with more robust internet services to more locations; expand communications to a much larger audience of school and library decisions-makers; and increase AT&T's ability to measure outreach effectiveness. As part of this campaign, during this reporting period, AT&T sent an email to school and library representatives in its wireline footprint for which AT&T had a valid email address. In total, AT&T sent the email communication to approximately **[BEGIN HIGHLY CONFIDENTIAL INFORMATION]**

[END HIGHLY CONFIDENTIAL INFORMATION] school and library recipients.

Over **[BEGIN HIGHLY CONFIDENTIAL INFORMATION]** **[END HIGHLY CONFIDENTIAL INFORMATION]** emails were opened during this first email campaign. A sample copy of the email is attached as Exhibit 4.

E-rate Services Welcome Package: When AT&T receives a Funding Commitment Decision Letter from USAC with respect to any E-rate eligible service, AT&T sends a welcome package email and instructions to the E-rate customer with information about AT&T's E-rate products and services. AT&T includes information about the 1 Gigabit FTTP Service in this welcome email stating that: "AT&T is pleased to inform you that we are expanding our fiber

⁴⁴ Fifth Semi-Annual Compliance Report at 21-22. As AT&T previously reported, in total, AT&T sent the direct mail communication to over **[BEGIN HIGHLY CONFIDENTIAL INFORMATION]** **[END HIGHLY CONFIDENTIAL INFORMATION]** schools and libraries listed in the USAC database and National Telecommunications & Information Administration ("NTIA") broadband mapping data. *Id.*

based Internet Access services into new areas every day. AT&T may have an FTTP Internet Access service with high-broadband capacity, including 1G in your area.” The welcome email further includes a link to the AT&T E-rate website and an online form to request information.⁴⁵

III. NON-DISCRIMINATORY USAGE-BASED PRACTICES

A. STATEMENT OF THE CONDITION

1. Condition

- a. In the application of usage-based allowances or other retail terms and conditions for Fixed Broadband Internet Access Service, the Company shall not discriminate in favor of its own Video Programming Service, including Company-operated online Video Programming service or any Company “TV Everywhere” service (whether operated by AT&T’s U-verse service, DIRECTV, or the equivalent), or any content or application available through its own Video Programming services, including through the exemption of one or more of its own Video Programming services from usage-based allowances. For the avoidance of doubt and consistent with such prohibition, this condition does not prohibit the Company from offering discounts for integrated bundles of the Company’s U-verse or DIRECTV satellite Video Programming service or rebranded offerings of these services with the Company’s Fixed Broadband Internet Access Services.

2. Reporting

- a. The Company shall submit a report in accordance with the filing and service requirements set forth in Section VII.5. herein on a semi-annual basis that details its compliance with this condition, with the first such report to be submitted six (6) months after the Closing Date, which will include at least the following: a description of all terms and conditions associated with its usage-

⁴⁵ See AT&T, AT&T E-rate, Contact an Expert, <https://www.corp.att.com/erate/contact/contact.html> (last visited Aug. 21, 2018).

based allowances and any other information the Independent Compliance Officer determines is reasonably necessary to report as required by this condition.

B. COMPLIANCE REPORT

1. Introduction and Working Team

AT&T has a Working Team that oversees and coordinates compliance with the Non-Discriminatory Usage-Based Practices Condition. The Working Team is composed of officers and senior managers who, in the ordinary course of business, oversee the development of AT&T's retail terms and conditions for its Fixed Broadband Internet Access Service. AT&T's businesses are subject to a wide variety of regulatory requirements and, in the ordinary course of business, AT&T has developed processes to ensure that proposals that may implicate such regulations are subject to review before AT&T proceeds to any marketplace actions. AT&T is using similar procedures to implement and ensure full compliance with this Condition. As previously explained, AT&T also has conducted training sessions regarding the requirements of this Condition for personnel involved in the development of the products and services covered by the Condition, including Working Team members, company officers, senior-level managers, attorneys, and new personnel.⁴⁶ As required by the Condition, in the application of usage-based allowances or other retail terms and conditions for Fixed Broadband Internet Access Service, AT&T has not discriminated in favor of its own Video Programming Service. Accordingly,

⁴⁶ First Semi-Annual Compliance Report at 31; Second Semi-Annual Compliance Report at 26; Third Semi-Annual Compliance Report at 25-26; Fourth Semi-Annual Compliance Report at 23; Fifth Semi-Annual Compliance Report at 23-24.

AT&T has been in full compliance with this Condition during the time period covered in this report.

2. Terms and Conditions Associated with AT&T's Usage-Based Allowances

AT&T has established monthly usage allowances for some of its internet access services. The usage allowances specify the amount of data that can be used in a customer's monthly billing cycle before overage usage charges are assessed. Effective during the entire reporting period, the current monthly usage allowances are:

- 150 GB for AT&T DSL service
- 170 GB for Fixed Wireless Internet⁴⁷
- 1 TB for AT&T Internet for speed tiers between 768 kbps and 500 Mbps
- Unlimited usage for AT&T Internet service for the 1 Gbps speed tier
- Unlimited usage is available on AT&T Internet service for \$30/month,⁴⁸ or for customers bundling new or existing AT&T Internet service (other than AT&T DSL or Fixed Wireless Internet) with their new or existing AT&T video (DIRECTV or U-verse TV) services on a combined bill at no additional charge (a discount of \$30/month as a benefit of bundling)

AT&T uses the following procedures to notify its AT&T Internet, DSL and Fixed Wireless Internet service customers when their data consumption approaches their data allowances to enable them to avoid additional usage charges. These procedures typically provide a customer at least seven email notifications before the customer is billed for any usage above

⁴⁷ The monthly usage allowance for AT&T Fixed Wireless Internet increased from 160 GB to 170 GB effective January 1, 2018.

⁴⁸ Unlimited internet data is not available to DSL or Fixed Wireless Internet customers.

her data plan's allowance.⁴⁹ The first time a subscriber's usage exceeds the data plan, she receives an email notification describing the usage measurement plan and process, informing her that she will not be billed for the usage, and providing a link to the usage website. In a subsequent monthly billing cycle in which a customer's usage level approaches her data allowance for the second time, AT&T sends the customer grace email notifications when her usage reaches 65 percent, 90 percent, and 100 percent of the usage threshold. These grace notifications inform the customer that she is now in her second month of overage usage, but will not be billed during this grace period. These grace notifications again contain a link to the usage website. In any subsequent billing cycle in which a customer's usage level approaches the data plan allowance for the third time, AT&T sends billing email notifications when her usage reaches 65 percent, 90 percent, and 100 percent of the usage threshold. These billing notifications contain a link to the usage website and inform the customer that she is in her third month of overage usage and will be billed after exceeding her usage allowance. At this point, AT&T assesses overage charges for customers at a rate of \$10 for each 50 GB of usage over the monthly allowance, up to a maximum of \$100 for AT&T Internet, or \$200 for DSL and Fixed Wireless Internet. In any subsequent month in which the customer's usage exceeds the threshold and the customer incurs overage billing, AT&T sends email notifications to the customer when her usage reaches 75 percent and 100 percent of each overage bucket.

AT&T provides information regarding its usage allowances on its publicly accessible website at <http://www.att.com/internet-usage>, and customers may obtain additional information

⁴⁹ This process does not apply to wireline internet access customers who have unlimited data since there is no monthly data allowance that a customer could potentially exceed.

regarding usage through the AT&T Internet Terms of Service.⁵⁰ AT&T also provides customers with access to various online tools to help them understand and track their data usage, including data calculators, FAQs, usage tracking reports, and instructional videos. Customers also are provided information about the usage allowances, charges, and practices through AT&T's advertising disclosures, order summaries, online registration website, and bills. Additional information about the network practices, performance characteristics, and commercial terms of AT&T's broadband internet access services is available at <http://www.att.com/broadbandinfo>. Customers also can check their data usage anytime on AT&T's online portal.

Exhibit 5 contains additional information on, and examples of, the publicly available material and resources regarding AT&T's usage allowance practices. These include AT&T Internet Terms of Service (in effect from November 15, 2017 to the end of this reporting period); AT&T's Internet Consumer Fee Schedule (in effect from December 1, 2017 through February 2, 2018; February 2, 2018 through April 1, 2018; and April 1, 2018 to the end of this reporting period); Broadband Information available on AT&T's website; and screenshots of AT&T's Online Data Calculator, Consumer Web Portals, and Order Summary pages.

3. Procedures for Reviewing Usage-Based Allowances and Other Offers Implicating the Condition

AT&T has procedures to review all new products and offers relating to its Fixed Broadband Internet Access Service in the early stages of product development to ensure that the

⁵⁰ AT&T, AT&T Internet Terms of Service, <https://www.att.com/shop/internet/att-internet-terms-of-service.html> (last visited Aug. 21, 2018). *See also* Exhibit 5.a.ii, AT&T Internet Terms of Service (in effect from Nov. 15, 2017 to the end of this reporting period).

terms and conditions of those products and offers comply with the Non-Discriminatory Usage-Based Practices Condition. In the ordinary course of business, AT&T has robust procedures to review all new offers, pricing and product enhancements relating to its regulated services (including Fixed Broadband Internet Access Service) to confirm compliance with legal and regulatory requirements. AT&T has incorporated into these existing procedures an additional review to ensure compliance with the Non-Discriminatory Usage-Based Practices Condition.

In particular, AT&T has an established intake process for review and approval of new products and product enhancements. AT&T has incorporated a step in each of these processes to ensure that relevant changes in the retail terms and conditions of its Fixed Broadband Internet Access Services are reviewed for compliance with the Condition. As part of these processes, Working Team Leaders and AT&T Legal receive proposed offers, pricing, and new products and product enhancements and review such proposals to ensure they comply with the Condition.

In addition, AT&T has established processes to ensure that all usage-based allowances associated with its Fixed Broadband Internet Access Service comply with the Condition. Certain Working Team members are responsible in the ordinary course of business for developing or modifying any usage-based allowances AT&T might offer in conjunction with Fixed Broadband Internet Access Services. All such personnel must notify the Working Team Leaders of any proposed usage-based allowance offers, as well as seek the guidance of the Program Management Team and AT&T Legal to ensure compliance with the Condition, before proceeding to introduce any such offer in the marketplace.

IV. DISCOUNTED BROADBAND SERVICES PROGRAM

A. STATEMENT OF THE CONDITION

1. Condition

Within nine (9) months of the Closing Date, the Company shall establish and commence a program to substantially increase broadband adoption in low-income households throughout AT&T's wireline footprint (the "Discounted Broadband Services Program").

- a. The Company shall offer wireline Broadband Internet Access Service with download speeds of at least 10 Mbps, where technically available, to qualifying households in the Company's wireline footprint for no more than \$10 per month. If 10 Mbps wireline Broadband Internet Access Service is not technically available, the Company shall offer wireline Broadband Internet Access Service with download speeds of at least 5 Mbps, where technically available, to qualifying households in the Company's wireline footprint for no more than \$10 per month.
- b. Where AT&T has deployed broadband service at top speeds below 5 Mbps, the Company shall offer wireline Broadband Internet Access Service at speeds of at least 3 Mbps, where technically available, to qualifying households in the Company's wireline footprint for no more than \$5 per month.
- c. Qualifying households are those where at least one individual participates in the Supplemental Nutrition Assistance Program ("SNAP"), subject to annual recertification, and that do not have outstanding debt for AT&T's Fixed Broadband Internet Access Services that was incurred within the six (6) months prior to the individual's request for services under the Discounted Broadband Services Program or that is incurred for services provided under the Discounted Broadband Services Program and that is subject to the Company's ordinary debt collection procedures.
- d. The Company shall offer the discounts set forth in this condition for at least four (4) years from the commencement of the Discounted Broadband Services Program. Qualifying households who sign up for the Discounted Broadband Services Program in the fourth year of the Discounted Broadband Services Program shall remain eligible for at least twelve (12) months.

- e. Qualifying households shall not be required to pay any installation or modem charges or fees in order to participate in the Discounted Broadband Services Program.
- f. For the period during which this condition is in effect, the Company shall clearly and conspicuously market the Discounted Broadband Services Program, including but not limited to undertaking the following actions:
 - (i) Providing on the Company's consumer-facing homepage a link to a webpage devoted to describing the Discounted Broadband Services Program; and
 - (ii) Ensuring that the Company's Customer Service Representatives are trained prior to the commencement of the program to inform consumers of the availability of the Discounted Broadband Services Program offerings, including pricing, and terms and conditions as described in this condition.
- g. The Company shall effectively engage in targeted outreach efforts, in coordination with schools and community-based organizations serving low-income individuals and families, including, but not limited to veterans, the elderly, and those who are non-English speaking, to adequately publicize the availability of the Discounted Broadband Services Program, to ensure that qualified individuals and households are informed about and have access to the program. The Company shall make adjustments to its outreach efforts in response to reasonable requests from the Commission's Office of General Counsel and, at a minimum, shall take the following actions during each year that the program is in effect:
 - (i) Promote the Discounted Broadband Services Program, including through public service announcements that shall have a minimum annual value of \$15 million.
 - (ii) Distribute Discounted Broadband Services Program information to at least twenty (20) organizations that work with low-income communities on a national and local level.
 - (iii) Coordinate with state education departments and local school districts, including requesting that all school districts within the Company's wireline footprint include information about the Discounted Broadband Services Program with their communications to families in advance of the school year, including in each communication

- relating to the National School Lunch Program (“NSLP”), as feasible and appropriate, to ensure that families that qualify for the NSLP are informed about the Discounted Broadband Services Program at the beginning of the school year and have the opportunity to register.
- (iv) Provide appropriate promotional and collateral materials to all public school districts within the Company’s wireline footprint and requesting that the materials be included in NSLP mailings.
 - (v) Educate school professionals about the Discounted Broadband Services Program, including by conducting outreach to various education-related associations such as parent-teacher associations and associations representing guidance counselors and social workers, in order to reach those who are most likely to work closely with students and families.
- h. Prospective participants shall be directed to a Company phone number dedicated to the Discounted Broadband Services Program to verify eligibility. Qualifying callers shall be transferred to a centralized order-entry center.
- i. The Company shall submit a report in accordance with the filing and service requirements set forth in Section VII.5. herein on a semi-annual basis that includes a description of the Company’s compliance with the condition, with the first such report to be submitted six (6) months after the Closing Date. The report shall at least include the following:
- (i) The total number of households participating in the Discounted Broadband Services Program;
 - (ii) A detailed description of outreach efforts made during the reporting period to publicize the Discounted Broadband Services Program to schools and community-based organizations, including a list of the community-based organizations participating, and representative examples of the promotional and collateral materials provided; and
 - (iii) An analysis of the effectiveness of the Discounted Broadband Services Program, describing any adjustments the Company has implemented during the reporting period or plans to implement to improve its effectiveness.

B. COMPLIANCE REPORT

1. Introduction & Working Team

AT&T launched the Discounted Broadband Services Program, branded *Access from AT&T*, in April 2016.⁵¹ The Program's launch was praised by public interest organizations and other stakeholders as an affordable broadband option for low-income individuals and families.⁵² AT&T's extensive outreach initiative has been met with overwhelming support from national, state and local public and private organizations. For example, the National Parent Teacher Association's ("PTA") executive director has applauded the Program, announcing that the National PTA is "pleased to team up with AT&T to empower families with the tools they need to connect to the internet and support their child's education at home."⁵³

As of June 30, 2018, AT&T has contacted over 900 organizations that have agreed to help promote the Program, with about 30 new organizations agreeing to assist during this reporting period. More than two years since launch, the Program has connected even more low-income Americans to the internet, helping to bridge the digital divide. Indeed, the number of participants in the Program has increased by more than 40 percent since the prior reporting period. As described below, based on its experience from the first two years of the Program,

⁵¹ The Condition required AT&T to establish and commence the Program within nine months of the Closing Date — on or before April 22, 2016. *Merger Order*, Appendix B, § VI(2).

⁵² See Second Semi-Annual Compliance Report at 46-48.

⁵³ Press Release, *National PTA and AT&T Team Up to Help Close the Homework Gap*, National PTA (Jul. 20, 2017), <https://www.pta.org/home/About-National-Parent-Teacher-Association/PTA-Newsroom/news-list/2017/09/18/National-PTA-and-ATT-Team-Up-to-Help-Close-the-Homework-Gap>.

AT&T has implemented several changes during this reporting period designed to facilitate the Program's success and expansion.⁵⁴

This report provides a detailed description of AT&T's implementation of the Discounted Broadband Services Program during the reporting period, including: (i) discounted broadband service offerings and eligibility criteria, (ii) number of participating households, (iii) marketing, (iv) outreach efforts, participating community-based organizations, and examples of promotional and collateral materials provided, and (v) an analysis of the effectiveness of the Program. As discussed below, AT&T's implementation, promotion, and operation of *Access from AT&T* is in full compliance with this Condition.

2. Broadband Service Offered and Qualifying Households

AT&T is offering *Access from AT&T* service plans for wireline Broadband Internet Access Service at the download speeds and prices specified in the Condition. As required by the Condition, AT&T is offering the following service tiers and prices for the Discounted Broadband Service, where technically available:

- 10 Mbps for \$10/month;
- if 10 Mbps is not technically available, then 5 Mbps for \$10/month; or
- if 5 Mbps is not technically available, then 3 Mbps (where technically available) for \$5/month.

In addition, AT&T has expanded eligibility under the *Access from AT&T* program to include qualifying households that are unable to receive internet speed tiers of 3 Mbps and above.

⁵⁴ AT&T has a Working Team to implement this Condition. This Working Team includes AT&T senior managers who, in the ordinary course of business, lead the development, promotion, and operation of AT&T's broadband internet access services. All members of this Working Team have been trained to understand what is required by this Condition.

Specifically, if a 3 Mbps speed tier is not technically available, AT&T is offering the faster of 1.5 Mbps or 768 kbps where technically available for \$5/month.⁵⁵

AT&T operates a dedicated call center for *Access from AT&T* for prospective participants to apply for the Program.⁵⁶ Agents at the dedicated call center both (1) verify whether the customer is eligible to participate in the Discounted Broadband Services Program and (2) coordinate service installation, including determining what services are technically available at that customer location.

With respect to Program eligibility, call center agents send, via regular mail, an application for the prospective participant to complete to verify that the applicant's household contains at least one member who participates in SNAP.⁵⁷ AT&T also has made the application available online. As noted by the ICO, "AT&T continues to work on improving the application experience for Access from AT&T customer."⁵⁸ During this reporting period, AT&T implemented even more changes to facilitate the application process including: (1) improving mobile optimization and web design to make mobile application and supporting documentation

⁵⁵ See Third Semi-Annual Compliance Report at 34-35; Fourth Semi-Annual Compliance Report at 32-33; Fifth Semi-Annual Compliance Report at 33.

⁵⁶ See Second Semi-Annual Compliance Report at 35; Third Semi-Annual Compliance Report at 35; Fourth Semi-Annual Compliance Report at 33; Fifth Semi-Annual Compliance Report at 33. In addition to English- and Spanish-speaking agents at the Program's dedicated call center, AT&T supports other languages by engaging Language Line services. Language Line provides live agent translation for over 240 languages. Agents at the dedicated call center are able to conference in a Language Line representative who provides real-time translation between the agent and the customer.

⁵⁷ As of July 21, 2016, *Access from AT&T* extended eligibility to include California residents who participate in the California Supplemental Security Income ("SSI") program as an alternative to SNAP eligibility. Third Semi-Annual Compliance Report at 35 n.57.

⁵⁸ ICO Fifth Report at 55. See also Fourth Semi-Annual Compliance Report at 33-34; Fifth Semi-Annual Compliance Report at 34.

uploads even easier for customers; (2) improving the process to upload supporting documentation and the image display of uploaded documents; (3) enabling applicants to check their application status online without the assistance of an agent; and (4) updating the *Access from AT&T* website to clarify explanations of service availability, applying and checking application status. In addition, AT&T improved the process for customers coming back to the Program after terminating service to expedite the process. AT&T also updated the application to enable customers to identify that they can be called about the Access program. **[BEGIN CONFIDENTIAL INFORMATION]**

[END CONFIDENTIAL INFORMATION]

Customers may submit applications, together with supporting documentation to verify participation in SNAP (such as a copy of their SNAP cards), online, or via email, U.S. mail, or fax.⁵⁹ Agents review the application and supporting documentation for completeness. Upon completion of this review, AT&T notifies applicants by mail or via email whether their applications have been approved and, if so, provides them instructions on how to contact the dedicated call center to order service. If an application has been denied, AT&T provides the reasons for that denial, which among other things may be due to lack of supporting documentation, failure to provide all information requested on the application, or failure to sign

⁵⁹ AT&T, Shop, Internet, Access from AT&T, at Step 2, <https://www.att.com/shop/internet/access/index.html> (last visited Aug. 21, 2018) (“Access from AT&T Website”).

the application. As of August 2017, AT&T has accelerated the process for addressing applications that are denied preliminarily pending correction by allowing agents to email the correction request to the prospective participant rather than send it by mail.

AT&T directs applicants with approved applications to call the dedicated call center, where agents confirm which service tier – *i.e.*, 10 Mbps at \$10, 5 Mbps at \$10, 3 Mbps at \$5, or 1.5 Mbps or 768 kbps at \$5 – is available at the prospective participant’s location.⁶⁰ Specifically, the agents have a loop qualification tool that permits them to enter an address and determine the services and speeds available at that location. A prospective participant can also check service availability online for a preliminary determination.⁶¹ The agent then processes a service order, which includes an automatic credit check. For the Discounted Broadband Services Program, AT&T **[BEGIN CONFIDENTIAL INFORMATION]**

[END CONFIDENTIAL INFORMATION], so that all qualifying prospective participants⁶² may obtain broadband service.

⁶⁰ AT&T offers services under this Program wherever such services are technically available, as required by the Condition. As AT&T explained in the First Semi-Annual Compliance Report, there are a small number of DAs in which AT&T has not deployed broadband internet access services, and in the DAs in which AT&T has deployed legacy DSL services, there are a limited number of locations at which AT&T cannot offer any internet access service to additional customers, and thus services for the Program are not “technically available” in those areas. *See* First Semi-Annual Compliance Report at 38.

⁶¹ *Access from AT&T Website* at Step 1.

⁶² *Merger Order*, Appendix B, § VI(2)(c) (“Qualifying households are those . . . that do not have outstanding debt for AT&T’s Fixed Broadband Internet Access Services that was incurred within the six (6) months prior to the individual’s request for services provided under the Discounted Broadband Services Program and that is subject to the Company’s ordinary debt collection procedures.”).

Finally, as required by the Condition, AT&T does not assess any installation or modem charges in order to participate in the Discounted Broadband Services Program.⁶³ AT&T sends customers who have completed the ordering process a self-installation kit, with a router and user-friendly installation instructions.⁶⁴ Instructions are available in English and Spanish. As an alternative to the self-installation process, AT&T will send a technician to the customer's location at no cost to the customer.

3. Number of Households Participating

As of June 30, 2018: (i) a total of [BEGIN HIGHLY CONFIDENTIAL INFORMATION] [END HIGHLY CONFIDENTIAL INFORMATION] qualifying households have subscribed to *Access from AT&T*, and (ii) AT&T is providing discounted broadband service through the Program to approximately [BEGIN HIGHLY CONFIDENTIAL INFORMATION] [END HIGHLY CONFIDENTIAL INFORMATION] households.

⁶³ AT&T otherwise applies its existing terms and conditions in conjunction with these services. Thus, for example, *Access from AT&T* service plans are subject to the monthly usage allowances described above, including the grace period and notifications provided to customers before they are billed for any usage above an applicable monthly usage allowance. Customer bills include the data usage limits that are applicable to the customer's *Access from AT&T* service. Likewise, as with all of AT&T's wireline broadband internet access services, AT&T will repair or replace damaged equipment as AT&T deems necessary, except where the customer owns the equipment or the equipment is damaged due to the customer's intentional acts or negligence as determined by AT&T.

⁶⁴ As recommended by the ICO, AT&T engages in ongoing efforts to monitor and ensure that a customer is not billed for such equipment. See ICO Fourth Report at 64. When AT&T discovers instances of inadvertent charges, AT&T actively takes steps to credit such customers and ensure they are not charged improperly going forward. [BEGIN CONFIDENTIAL INFORMATION]

[END CONFIDENTIAL INFORMATION]

4. Marketing

Website: AT&T is marketing the Discounted Broadband Services Program by prominently displaying on its customer-facing homepage a link to a webpage, <https://www.att.com/access>, that describes the Program and encourages prospective participants to call a toll-free number to obtain more information about AT&T's Discounted Broadband Services.⁶⁵ The *Access from AT&T* Website clearly lays out step-by-step instructions for how a prospective participant can check to see if AT&T broadband is available at her location; determine whether she qualifies for the Program if service is available; and request service.⁶⁶ As discussed below, AT&T has partnered with numerous third parties to raise public awareness of *Access from AT&T*, and established a partner portal, accessible from a link on the *Access from AT&T* Website, where participating organizations that are engaged in communications and outreach can access promotional materials, application materials, email and social media templates, and other resources to help share information about the Program with their constituents.⁶⁷

Toll-Free Numbers: AT&T has English and Spanish toll-free numbers (English: 855.220.5211; Spanish: 855.220.5225) that are dedicated to the Discounted Broadband Services Program. In addition, AT&T is supplementing the dedicated toll-free numbers with additional numbers for targeted marketing and to track the effectiveness of its outreach efforts. These numbers are directed to the dedicated call center.

⁶⁵ AT&T, Shop, Access from AT&T, <https://www.att.com/> (last visited Aug. 21, 2018).

⁶⁶ *Access from AT&T* Website at Steps 1-3.

⁶⁷ *Id.* at For Our Partners.

Training Customer Service Representatives: AT&T has built upon its existing customer care training programs to implement a specialized training program for the Discounted Broadband Services Program. In addition to the initial awareness training described in the Second Semi-Annual Compliance Report,⁶⁸ AT&T is offering ongoing refresher trainings to ensure Customer Service Representatives are aware of the Discounted Broadband Services Program and the dedicated call center, and know how to transfer customers to the dedicated call center for information about the availability, prices, terms and conditions of the Program.

AT&T has continued to improve the training and monitoring of its Customer Service Representatives, **[BEGIN HIGHLY CONFIDENTIAL INFORMATION]**

⁶⁸ See Second Semi-Annual Compliance Report at 38.

⁶⁹ See ICO Fifth Report at 71.

HIGHLY CONFIDENTIAL INFORMATION]

5. Outreach and Awareness

AT&T continues to promote *Access from AT&T* through the multi-pronged outreach program required by the Condition.

Public Service Announcements: AT&T is promoting *Access from AT&T* through public service announcements that have a minimum annual value of \$15 million, as required by the Condition, and have aired on a variety of channels, including broadcast TV and radio, Hispanic spot TV and radio, and StateNets Radio.⁷¹

As discussed further below, in addition to satisfying the public service announcement requirement, AT&T also is advertising to patrons of Dollar General and Family Dollar stores in areas where *Access from AT&T* services are available.⁷² During this reporting period, AT&T's Dollar General and Family Dollar store campaigns began on June 25, 2018 and ran for two weeks. AT&T is planning to run two additional campaigns during the summer, each for a two-week period beginning on July 23, 2018 and August 20, 2018. As part of these campaigns, the *Access from AT&T* offer is displayed on receipts when a SNAP EBT card is used to pay for purchases.

⁷⁰ Further details on the quality assurance steps that AT&T has taken during the reporting period to improve training for call center agents are provided in Exhibit 9.

⁷¹ StateNets Radio is the exclusive representative firm for the National Association of State Radio Networks, which is comprised of 31 State Radio Networks that include over 1,800 radio stations across the country. See StateNets, Member Networks, <http://statenets.com/cms/index.php/member-networks-2/> (last visited Aug. 21, 2018).

⁷² Samples of these marketing materials are provided in Exhibit 7.

Distribute Information to At Least 20 Organizations: AT&T personnel are conducting targeted outreach efforts directed at national, state, and local private, government and quasi-governmental organizations serving low-income individuals and families – including households with school children, veterans, the elderly, non-English-speakers, and minorities. National non-profit organizations Connected Nation and EveryoneOn are assisting AT&T with these outreach efforts.⁷³

AT&T, with the assistance of EveryoneOn and Connected Nation, has contacted many organizations to provide information about *Access from AT&T*. Over 900 of the organizations have agreed to promote *Access from AT&T* among the populations they serve, with approximately 30 new organizations added to the list during this reporting period.⁷⁴ Of the new partner organizations, about 77 percent provide services to minority organizations, 90 percent provide services to low-income households, 13 percent provide services to seniors, and 32 percent provide services to youth.

Participating organizations may obtain promotional and collateral materials directly through AT&T's online partner portal, by contacting Connected Nation or EveryoneOn for

⁷³ See Fourth Semi-Annual Compliance Report at 39-40; Fifth Semi-Annual Compliance Report at 39-40.

⁷⁴ A list of organizations that have agreed to promote the Program is provided in Exhibit 6. AT&T, with the assistance of Connected Nation, annually distributes materials about the Program to these organizations. EveryoneOn also engages organizations through outreach to its local and national partners. After an organization has agreed to promote the Program, it remains on the list of participating organizations unless the organization advises that it no longer plans to participate. During this reporting period, AT&T determined that, in Exhibit 8 to the Fifth Semi-Annual Compliance Report, it had included in the list of organizations promoting the Program some duplicate entries and a number of organizations for which AT&T had not received confirmation about their willingness to promote the Program. AT&T has removed those organizations from the current list of organizations provided as Exhibit 6 to this report.

assistance or by ordering collateral via the print portal.⁷⁵ Available materials include: a promotional flyer, FAQ, checklist of materials needed to complete the application, email templates, a poster, a promotional video, and the Program launch press release and social media verbiage.⁷⁶ Promotional materials are available in seven languages.⁷⁷ Organizations supporting AT&T's outreach efforts downloaded or ordered hard copies of more than 66,000 pieces of collateral during this reporting period.

National, State and Local Outreach

AT&T's outreach efforts at the national, state and local levels continue to achieve results.

Examples include:

- AT&T's Employee Resource Group, The NETwork - Black Integrated Communications Professionals ("The NETwork-BICP"), created a 21-state outreach program for *Access from AT&T*, with an initial goal to have its members make 10,000 contacts promoting the Program in 2017. NETwork-BICP met its "10K Touches" commitment during the last reporting period and expanded its goal to making a total of 50,000 contacts, "#50K Touches" by April of 2019. During this reporting period, its members continued to attend community events to raise awareness of *Access from AT&T*, including participating in the Leadership STEM conference in Chicago and the Martin Luther King Day Parade in Dallas in January 2018.
- AT&T participated in a series of events to promote *Access from AT&T* during Digital Inclusion Week, a week-long program co-hosted by EveryoneOn and the Los Angeles Public Library, on the importance of digital inclusion and equity in Los Angeles, California from May 7 to May 11, 2018.

⁷⁵ See Access from AT&T, Account Sign In, <https://attaccess.rrd.com> (last visited Aug. 21, 2018).

⁷⁶ Samples of these collateral materials are provided in Exhibit 7. During this reporting period, AT&T updated the FAQ and social media verbiage that are included in the partner portal.

⁷⁷ The seven languages are English, Arabic, Chinese, Haitian Creole, Korean, Spanish, and Vietnamese.

- During this reporting period, OCA - Asian Pacific American Advocates, a national organization dedicated to advancing the well-being of Asian Pacific Americans, promoted *Access from AT&T* to members of the Asian Pacific American community via its national constituency and through its local chapters in Cleveland, San Francisco, Sacramento, and Houston. Through its outreach program, flyers and card handouts were distributed at a wide variety of local events and festivals and *Access from AT&T* advertisements were included in the program books distributed at the events and festivals. OCA also includes a full page advertisement for *Access from AT&T* in its monthly newsletters and biannual magazine, which is distributed nationally to OCA members and affiliates.
- In June 2018, Mid-South Minority Business Council (TN), a Memphis, Tennessee-based organization, invited representatives from AT&T to provide information about *Access from AT&T* at its Economic Development Forum (EDF), which is the largest economic development conference in the mid-south. At EDF, AT&T representatives met with youth attendees to provide information and materials about the Program.
- Knoxville-Knox County CAC Office on Aging (TN), an agency that provides a wide variety of programs and services intended to improve the quality of life for older people, shared flyers with participants at multiple community events in rural Knox County and in Knoxville via their SNAP Senior Outreach Program. The agency also distributes *Access from AT&T* materials at its digital skills training programs and classes.
- Workforce Solutions, Borderplex (TX), an organization that provides training to jobseekers from disadvantaged communities who do not have the skills necessary to thrive in the workplace, promoted *Access from AT&T* at its Quarterly Staff Conference during this reporting period. In addition to distributing collateral, the agency presented information about the Program to approximately 170 staff members. During the next reporting period, the agency is planning to host training sessions to educate its case managers on how to assist clients with enrollment to support with job searching.
- Legacy Community Health (TX), a healthcare organization that provides health care and social services to Houstonians living in disadvantaged communities, began in June 2018 including *Access from AT&T* flyers in its packets that are distributed to patients in its social services programs.

Program Awareness and Community Events

As a stakeholder in the U.S. Department of Housing and Urban Development's ("HUD's") ConnectHome Initiative, now branded "ConnectHome USA,"⁷⁸ AT&T has agreed to conduct 20 Program awareness and enrollment events in certain ConnectHome USA communities within the AT&T 21-state wireline footprint by the end of 2018.⁷⁹ During this reporting period, AT&T conducted 6 events in 6 communities.⁸⁰ EveryoneOn is leading the expansion of the ConnectHome USA, "with the goal of connecting 350,000 people living in [HUD]-assisted housing by 2020," and is continuing to promote *Access from AT&T* in this role.⁸¹

Separate and apart from the 20 ConnectHome USA program awareness and enrollment events described above, with the assistance of The Marketing Arm, AT&T also plans to conduct a series of 8 to 10 events during the next reporting period at different community locations (such as YMCAs, senior centers and local schools) for local families and organizations.

⁷⁸ See Third Semi-Annual Compliance Report at 43-44; Fourth Semi-Annual Compliance Report at 42-43; Fifth Semi-Annual Compliance Report at 43.

⁷⁹ AT&T has engaged The Marketing Arm, a marketing and promotion agency, to assist with conducting *Access from AT&T* outreach events. AT&T conducted a total of 30 ConnectHome USA program awareness and enrollment events in 2017. See Fifth Semi-Annual Compliance Report at 43.

⁸⁰ These communities include the following: Brownsville, Texas; Little Rock, Arkansas; Edinberg, Texas; Lacoochee, Florida; Hudson, Florida; and Greensboro, North Carolina. See also Fourth Semi-Annual Compliance Report at 42 n.81; Fifth Semi-Annual Compliance Report at 43 n.83.

⁸¹ Fourth Semi-Annual Compliance Report at 42-43; Fifth Semi-Annual Compliance Report at 43-44. On August 21, 2017, EveryoneOn announced the addition of 30 new communities to the ConnectHome USA initiative, See Press Release, 30 New Communities to Join ConnectHome Nation Initiative (Aug. 21, 2017), <https://everyoneon.org/2017/08/21/30-new-communities-to-join-connecthome-nation-initiative/>, 20 of which are located within AT&T's 21-state wireline footprint.

EveryoneOn and Connected Nation Activities

EveryoneOn continued to conduct outreach to its local and national partners, inviting them to promote the Program in various ways, including distributing *Access from AT&T* collateral and hosting enrollment activities.⁸² From January 1, 2018 to June 30, 2018, EveryoneOn promoted *Access from AT&T* in 16 separate conferences and presentations, reaching an estimated 630 attendees. EveryoneOn also sent a Program flyer to approximately 3,000 assisted living facilities in Florida, and contacted SeniorNet, a nonprofit organization that provides older adults education and access to computer technologies, via email to request that they share information about the Program with their constituents. As part of EveryoneOn's local outreach efforts during this reporting period, it held six enrollment events to facilitate enrollment in *Access from AT&T*, where over 260 individuals learned about the Program. Additionally, *Access from AT&T* continued to be featured on EveryoneOn's offer locator tool, which is used by diverse audiences to find low-cost internet service and device offers through a zip code search.

During this reporting period, Connected Nation continued to manage information and collateral requests from third-party organizations, including responding to email inquiries and maintaining a dedicated phone number specific to the Program. In June 2018, Connected Nation sent an email to the *Access from AT&T* partner organizations to thank them for their partnership, to resend the links to the partner portal and collateral, and to request their feedback about their

⁸² Second Semi-Annual Compliance Report at 41; Third Semi-Annual Compliance Report at 43; Fourth Semi-Annual Compliance Report at 44; Fifth Semi-Annual Compliance Report at 44-45.

experience with the Program. Connected Nation also asked to be advised if the organization no longer plans to participate.

Connected Nation also surveyed organizations participating in the Program about the promotional activities they conducted and provided progress reports and data to AT&T on such outreach efforts.⁸³ Connected Nation reports that organizations added between January 1, 2018 through June 30, 2018 support an estimated 43,000 consumers. Based on survey responses from existing and new organizations, during this reporting period, Connected Nation estimates the *Access from AT&T* partner organizations that responded to the survey sent e-newsletters with information about the Program to more than 2,700 recipients, distributed print newsletters with information about the Program to about 1,600 recipients, distributed information at events with approximately 1,400 attendees, and have had about 560 social media impressions.⁸⁴ In addition, Connected Nation reports that it processed 25 requests for print collateral of over 20,000 flyers.⁸⁵

Coordination with and Distribution of Promotional and Collateral Materials to State Education Departments and School Districts: AT&T continues to promote *Access from AT&T* to school districts and education professionals. On June 12, 2018, AT&T sent letters to public school districts located within its 21-state wireline footprint, providing details about *Access from AT&T*, requesting that information about the Program be placed in National School Lunch Program packets, and giving examples of how the district can help promote the Program,

⁸³ A Connected Nation report for the period ending June 30, 2018 is provided in Exhibit 8.

⁸⁴ Samples of these collateral materials are contained in Exhibit 8.

⁸⁵ See Exhibit 8 at page 8, Table 6.

including a copy of a Program flyer.⁸⁶ The letter also invited school district administrators to attend a webinar to be held by EveryoneOn in order to learn more about the Program. On June 13, 2018, AT&T sent emails containing similar information to school district administrators whose email addresses were available to AT&T.⁸⁷ On June 25, 2018, EveryoneOn sent another email to school district administrators, inviting them to attend one of the three webinars about the Access program scheduled for July.⁸⁸

During this reporting period, EveryoneOn conducted telephone outreach to over 1,000 school districts about *Access from AT&T*, reaching over 450 of those called and providing those districts with information about the Program.

Educate School Professionals: AT&T is working with key national education-related associations and advocacy groups representing educators, guidance counselors, and social workers – such as Family, Carrier and Community Leaders of America (“FCCLA”), National PTA, American School Counseling Association, and League of United Latin American Citizens (“LULAC”) – to gain assistance in disseminating the Program details among the populations these organizations serve.⁸⁹

⁸⁶ A copy of the letter and the flyer that accompanied the letter are contained in Exhibit 7.

⁸⁷ A copy of the email is contained in Exhibit 7.

⁸⁸ See Exhibit 7.

⁸⁹ Education-related organizations that have agreed to assist in promoting the Program are included in Exhibit 6, and sample promotional materials are in Exhibit 7.

AT&T worked with the National PTA to conduct outreach to school districts during the 2017-2018 school year.⁹⁰ As part of the collaboration, National PTA targeted local PTAs across AT&T's 21-state wireline footprint to share information about *Access from AT&T* for eligible participants, as well as other information about digital learning and resources available to support internet access for eligible participants. PTA has committed to provide grants to three regional PTAs to provide onsite opportunities for families to enroll in Access from AT&T during back to school events in their communities. During this reporting period, AT&T also attended the 2018 National PTA Convention and Expo from June 21 to June 23, 2018. In addition to distributing collateral, AT&T presented information about the Program at the conference. Over 400 registrants from AT&T's 21-state wireline footprint were invited to attend a session on how to support the Program through their local PTA. National PTA's 21-state outreach also includes social media, segmented emails, and a recorded webinar for on-demand viewing by local PTA leaders and the families they serve.

In October 2017, the FCCLA announced that it would continue its partnership with AT&T to promote the Program. Since that time, 38 local FCCLA chapters and 13 state associations have participated in promotional and enrollment activities for Access from AT&T. These FCCLA chapters and state associations reached a combined total of more than 23,000 people since January 1, 2018 through FCCLA's State Leadership Conferences and in local communities. FCCLA also has produced multiple announcements to promote its AT&T Access partnership between November 2017 and April 2018. FCCLA placed these promotional pieces

⁹⁰ AT&T also worked with the National PTA to conduct outreach to school districts during the 2016-2017 school year. See Third Semi-Annual Compliance Report at 47-48; Fourth Semi-Annual Compliance Report at 47; Fifth Semi-Annual Compliance Report at 48-49.

in FCCLA’s weekly Fast Facts e-newsletter, weekly State Advisor Update e-newsletter, social media pages, website, and the 2018 January/February and 2018 March/April issues of FCCLA’s official national magazine, among others.

6. Analysis of Effectiveness of Program

AT&T knows that an “affordable home internet connection is vital to promote digital inclusion—making it possible for students to complete homework and families to apply for jobs, keep in touch with family and friends and so much more.”⁹¹ That is why AT&T is “proud to play a part in helping to narrow the digital divide by providing low-cost internet options for families who need it the most and providing tools and resources for everyone to have a safe experience online.”⁹² As of June 30, 2018, AT&T has received [BEGIN HIGHLY CONFIDENTIAL INFORMATION] [END HIGHLY CONFIDENTIAL INFORMATION] calls from prospective participants, [BEGIN HIGHLY CONFIDENTIAL INFORMATION] [END HIGHLY CONFIDENTIAL INFORMATION] unique views on the *Access from AT&T* Website, and [BEGIN HIGHLY CONFIDENTIAL INFORMATION] [END HIGHLY CONFIDENTIAL INFORMATION] visits to the “Apply Now Link.”

AT&T’s national, state and local efforts to enlist outreach partners that work with low-income communities have continued to exceed the Condition’s requirements. As explained

⁹¹ Press Release, *National PTA and AT&T Team Up to Help Close the Homework Gap*, National PTA (Jul. 20, 2017), <https://www.pta.org/home/About-National-Parent-Teacher-Association/PTA-Newsroom/news-list/2017/09/18/National-PTA-and-ATT-Team-Up-to-Help-Close-the-Homework-Gap>.

⁹² AT&T California, Blog Post, *Helping Households ‘Spring into Access’* (Apr. 28, 2017), <https://engage.att.com/california/blog/?PostId=3900>.

above, as of June 30, 2018, over 900 organizations have agreed to promote the Program among the populations they serve.⁹³ Subscriber enrollment throughout AT&T's wireline footprint, in part, reflects the breadth of AT&T's outreach efforts.

A considerable amount of work has gone into the implementation and operation of *Access from AT&T* and the outreach campaign to build awareness about the new Program. While AT&T is extremely proud of what it has accomplished in just over two years, AT&T is continuing to take steps to help ensure the success of the Program and facilitate its expansion. As recognized by the ICO, "AT&T is committed to the success of the DBS Program."⁹⁴

As of June 30, 2018, AT&T is providing discounted broadband service through the Program to approximately [BEGIN HIGHLY CONFIDENTIAL INFORMATION] [END HIGHLY CONFIDENTIAL INFORMATION] qualifying households. Of these households, the vast majority are provisioned on the IP network. Of the IP-based customers, about [BEGIN HIGHLY CONFIDENTIAL INFORMATION] [END HIGHLY CONFIDENTIAL INFORMATION] are receiving AT&T's 10 Mbps service tier at a price of \$10/month. Program outreach and awareness efforts have resulted in *Access from AT&T* subscribers in all 21-states in the wireline broadband services footprint. Customer applications indicate that approximately [BEGIN HIGHLY CONFIDENTIAL INFORMATION]

[END HIGHLY CONFIDENTIAL INFORMATION] of respondents heard about *Access from AT&T* via our promotional or outreach efforts. The number of subscribers has increased steadily as awareness of the Program continues to grow, and through AT&T's efforts

⁹³ A list of these organizations is provided in Exhibit 6.

⁹⁴ ICO Fifth Report at 75.

to improve the enrollment process, as described below. Indeed, since the prior reporting period, the number of subscribers has increased by over [BEGIN HIGHLY CONFIDENTIAL INFORMATION] [END HIGHLY CONFIDENTIAL INFORMATION] subscribers.

AT&T also has taken steps to attract more subscribers and expand the Program. As described in the prior compliance reports,⁹⁵ AT&T extended eligibility for the Program to California residents who participate in the California SSI program as an alternative to SNAP eligibility.⁹⁶ California residents who participate in the California SSI program may not also claim federal SNAP benefits. As a result, California SSI participants are not eligible for *Access from AT&T* based on SNAP participation. As of June 30, 2018, [BEGIN HIGHLY CONFIDENTIAL INFORMATION] [END HIGHLY CONFIDENTIAL INFORMATION] applications submitted by California SSI participants have been approved, and [BEGIN HIGHLY CONFIDENTIAL INFORMATION] [END HIGHLY CONFIDENTIAL INFORMATION] California SSI participants have *Access from AT&T* service.

AT&T has further expanded the Program to include prospective participants that are unable to receive internet speed tiers of 3 Mbps and above. In particular, as of October 2, 2016, eligible individuals or households that apply for *Access from AT&T* that are not able to receive service at the 3 Mbps speed tier, but are able to receive service of up to 768 kbps or 1.5 Mbps,

⁹⁵ Third Semi-Annual Compliance Report at 50-51; Fourth Semi-Annual Compliance Report at 50; Fifth Semi-Annual Compliance Report at 52-53.

⁹⁶ See *Access from AT&T* Website.

will be offered the faster of these two speeds at their location for \$5/month. As of June 30, 2018, about [BEGIN HIGHLY CONFIDENTIAL INFORMATION] [END HIGHLY CONFIDENTIAL INFORMATION] customers have subscribed to *Access from AT&T* for speeds below 3 Mbps.

As discussed above, AT&T has continued to market to certain potentially budget-minded consumers, including Dollar General and Family Dollar store patrons. During this reporting period, AT&T's Dollar General and Family Dollar store campaigns began on June 25, 2018 and ran for two weeks. AT&T is planning to run two additional campaigns during the summer, each for a two-week period beginning on July 23, 2018 and August 20, 2018. As part of these campaigns, the *Access from AT&T* offer is displayed on receipts when a SNAP EBT card is used to pay for purchases.

In addition, AT&T has continued to make changes to the Program in an effort to increase the number of customers in service.⁹⁷ In particular, as of February 2018, AT&T improved the Access website mobile optimization and web design to make mobile application and supporting documentation uploads even easier for customers. And in an effort to improve the application process, as of March 2018, AT&T has improved the way applicants upload supporting documentation and the document image display. [BEGIN CONFIDENTIAL INFORMATION]

[END CONFIDENTIAL INFORMATION] AT&T also updated the application to enable customers to agree that an Access agent may call the customer about the Program. In

⁹⁷ See Exhibit 9.

addition, as of May 2018, applicants can check the status of their applications online without the assistance of an agent. AT&T also updated the Access website to clarify explanations of service availability, applying and checking application status. Finally, AT&T updated certain collateral available in the partner portal to enhance communications about the Program.

During this reporting period, AT&T also has continued to take steps to improve its outreach efforts, as described above. AT&T conducted 6 ConnectHome USA program awareness and enrollment events this reporting period. In addition to its ConnectHome efforts, AT&T also plans to conduct a series of 8 to 10 events for local families and organizations at different community locations (such as YMCAs, senior centers and local schools) throughout AT&T's 21-state wireline footprint, with the assistance of The Marketing Arm.⁹⁸

As described above, EveryoneOn also continues to highlight *Access from AT&T* to a wide variety of audiences at diverse local and national conferences, including through ConnectHome USA events. EveryoneOn continues to make *Access from AT&T* available on its offer locator tool, which is used by diverse audiences to find low-cost internet service and device offers through a zip code search.

AT&T's outreach efforts are raising awareness about the Program. AT&T includes *Access from AT&T* questions in the weekly online survey that AT&T conducts continuously throughout the year in discount broadband markets to measure awareness and interest in the Program. During this reporting period, awareness of the Program increased for the targeted market of SNAP participants when advertising was present in the market. Survey results during

⁹⁸ The Marketing Arm provides AT&T with a summary report after each event, which provides key learnings and recommendations AT&T uses to improve future events.

this reporting period show that SNAP participants always had a higher awareness [BEGIN
HIGHLY CONFIDENTIAL INFORMATION] [END
HIGHLY CONFIDENTIAL INFORMATION] and interest in the Program [BEGIN
HIGHLY CONFIDENTIAL INFORMATION] [END
HIGHLY CONFIDENTIAL INFORMATION] than consumers who did not qualify for the
Program.

Connected Nation continues to survey the organizations participating in the Program to learn what promotional activity has taken place and to collect metrics about outreach activities undertaken by organizations responding to the survey.⁹⁹ Partner organizations provided feedback to Connected Nation via an electronic survey or via telephone, and 20 out of over 80 surveyed organizations provided feedback during this reporting period about their participation in the Program. About 70 percent of survey respondents stated that they are assisting in raising awareness about *Access from AT&T*, reporting that they have engaged in numerous outreach activities, such as distributing flyers, mailings and newsletters, and posting on social media and websites. About 95 percent of the respondents plan to do even more to promote the Program in the future. According to Connected Nation, the responding organizations continued to incorporate *Access from AT&T* outreach activities in their regular interactions with customers, which has been a consistent theme from the onset of the Program.

⁹⁹ The Connected Nation report for the period ending June 30, 2018 contained in Exhibit 8 describes the feedback provided on outreach activities by partner organizations.

AT&T is continuing to use the resources of Connected Nation to help AT&T ensure that the outreach program is achieving its broad objectives and to assess the Program's overall effectiveness moving forward.